

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7205

BILL NUMBER: SB 383

NOTE PREPARED: Feb 12, 2004

BILL AMENDED: Jan 29, 2004

SUBJECT: Equipment Retailers.

FIRST AUTHOR: Sen. Nugent

FIRST SPONSOR: Rep. Grubb

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill adds "outdoor power equipment" suppliers and retailers to farm and industrial machinery suppliers and retailers currently governed by the inventory repurchase provisions of agricultural law. The bill provides procedures for determining the repurchase price paid by a supplier to a retailer. The bill requires a supplier to supply notice to a retailer before terminating a contract. The bill provides for the termination of a contract by a supplier without notice under certain circumstances. It prohibits certain practices by suppliers. The bill provides procedures for resolving warranty claims. The bill provides procedures for continuing or creating contracts on the death of a retailer. It also provides civil penalties for violations.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* If additional civil actions occur as a result of the provisions of this bill, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. Any additional revenue would be minimal.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that

prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. However, any additional revenue would be minimal.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

Fiscal Analyst: John Parkey, 317-232-9854.